
SECTION 200: PROJECT REQUESTS

200.1

CAPITAL NEEDS REPORT

The Bureau of Building, Grounds and Real Property Management is required by statute to determine and submit to the Legislative Budget Office [LBO] on, or before, September 1st of each year a report detailing *immediate* and *long range* repair & renovation, capital improvement and preplanning needs of each Using Agency. [Mississippi Code 1972, Annotated, Sections 31-11-27 and 31-11-29] LBO prepares and submits a report to the Legislature based on the information received from the Bureau.

200.2

USING AGENCY'S REQUESTS (Modified Dec 2013 SoS to agree with 2010/2012 forms to inc impact per Code)

In March, all State Institutions, Agencies, and Departments receive a notification letter indicating it is time to prepare the report of *immediate* and *long range* repair & renovation, capital improvement and preplanning needs. All requests will be reviewed and considered for possible inclusion in the Bureau's LBO report.

200.3

DEFINITION OF NEEDS

Immediate Needs may be defined as buildings, major improvements, and other facilities required for the proper functioning of the institution for the next year. *Long Range Needs* may be determined as buildings, major improvements, and other facilities of a similar nature which may be needed at some indefinite future date.

Both of these needs are based on a five-year projection basis. *Immediate Needs* should be funded the first fiscal year and *Long Range Needs* should be funded in the next four (4) fiscal years. [Mississippi Code 1972, Annotated, Section 31-11-29]

200.4

CLASSIFICATION OF NEEDS

Whether *immediate* or *long range*, needs may be evaluated and classified under three (3) major headings discussed as follows.

Classification of Needs

- * Repair and Renovation
- * Preplanning
- * Capital Improvement

A. REPAIR AND RENOVATION

- * Repair
- * Renovation

1. **Repair:** *To restore by replacing a part or putting together that which is broken and restoring to a sound state is the process of repairing and returning a facility component to a condition effectively as it was originally designed.*
2. **Renovation:** *To restore a facility to its former state and not alter its original design standards or function is one component of renovation. Another aspect includes extensive changes which completely alter the use and function of the facility. Renovations include all improvements necessary to bring a facility into compliance with current codes. Major renovations may be line-item appropriations; smaller renovation projects may be funded from discretionary appropriations, if available.*

B. PREPLANNING

1. **Preplanning:** In order to establish creditable construction estimates, some major capital improvements or repair and renovations may require Program preparation, Schematic Document planning and Site Selection. After Preplanning has been completed, the Legislature may consider funding for construction based on the reported estimate. [Mississippi Code 1972, Annotated, Section 31-11-27]

C. CAPITAL IMPROVEMENT

- * Capital Improvements
- * Furniture & Equipment
- * Land Acquisition
- * Grants
- * Lease-Purchase

1. **Capital Improvement:** New construction, furniture, equipment and major additions to facilities are generally classified as Capital Improvements; and, in all cases the improvement should result in additional use of the facility and provide long-term benefit beyond its present capacity. Most Capital Improvements are line-item appropriations and only on rare occasions are discretionary funds used for as
Capital Improvement. Ideally, all Capital Improvement Projects in **excess** of \$1,000,000 should be Preplanned one (1) year and funded the next.
2. **Furniture & Equipment:** Fixed Furniture & Equipment will be specified and installed according to Contract Documents and include, but are not limited to: refrigeration/freezer units, kitchen equipment, science/testing laboratories, telecommunication installation. Loose Furniture & Equipment will be specified and bid under separate contracts and include, but are not limited to: telephones, computer equipment (hardware only), automation programs (i.e., library automation), miscellaneous desks, chairs, etc.. To *furnish and equip* a facility will be mandated by legislation.
3. **Land Acquisition:** Purchase of real estate (i.e., land, facility, real property) will be mandated by legislation and all requirements set forth in the law will be met, including required advertisements, appraisals, etc.. The Bureau's Division of Real Property Management will be primarily responsible for the administration of real property acquisition.

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4. **Grants:** Occasionally, the Bureau receives *grant* funds appropriated by the legislature. These funds are to be used by specific Using Agencies for specific purposes (upgrading libraries, historic buildings, constructing children's homes). The Bureau is responsible for directing these funds to the appropriate Using Agency on a reimbursement basis and using the Bureau's current *Request for Grant Funds* form. [See **Section 400** entitled *Codes & Policies* for details.] However, the Bureau does not serve as the Owner and is not directly responsible for oversight of any Project resulting from these funds. The recipient Using Agency is accountable for expenditure and compliance all state purchasing and construction laws.
 5. **Lease-Purchase:** In 1993, the Legislature authorized DFA's Bureau of Building, Grounds and Real Property Management to lease, sublease, or lease purchase real property and to defray the cost of acquisition with rent proceeds. Any lease-purchase acquisition must be approved by the legislature, PPRB and the State Bond Commission. All requirements set forth in the law will be met, including advertisements, appraisals, etc.. The Bureau's Division of Real Property Management will be primarily responsible for administering lease-purchases. [**Mississippi Code 1972, Annotated**, Section 27-104-107]

200.5

REQUEST FORMS (Modified Dec 2013 SoS to agree with 2010/2012 forms to inc impact per Code)

All Project information will be submitted on Bureau Project Request Database Form which accompanies the notification letter. [See **Appendix 200.**]

200.6

DEADLINE

All request forms must be in the Bureau's office by the date specified in the notification letter.

200.7

SITE VISITS

The Bureau Staff conducts on-site visits to each Institution, Agency and Department submitting requests. These visits permit the Bureau Staff to review the Using Agency's *immediate* and *long range* plans. Members of the Legislature and various Governing Boards may also be invited to attend these meetings.

200.8

SUBMISSION TO LBO

After reviewing all the requests, the Bureau forwards its recommendations to LBO who in turn forwards its recommendations to the Legislature. The Senate and House Appropriation Committees review the requests and determine whether or not a Project should be funded.

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200.9

LEGISLATIVE ACTION

The Legislature evaluates the Using Agencies' requests and funds them according to categories - Preplanning, Line Item, or Discretionary.

Request Categories

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|---|
| <ul style="list-style-type: none">* Preplanning* Line Item* Discretionary |
|---|

1. **Preplanning:** A Project may be designated for preplanning by the Legislature either by a Concurrent Resolution, or inclusion in a legislative bill. If a Concurrent Resolution is passed, the Bureau will use the ongoing revolving General Fund *Preplanning Fund*

to defray the cost of preplanning. Use of this Fund is limited to two percent (2%) of the estimated cost of a project and once funded for construction, the *Preplanning Fund* must be replenished. [Senate Bill 2407, Laws of 1994] If a Project is designated for Preplanning by inclusion in a legislative bill, the bill will usually state the limitations, if any. Generally, these methods include a report on the preplanning process to the Legislature the following year at which time the Legislature may or may not consider funding.

2. **Line Item:** The Legislature may appropriate funds to be used for specific needs, or purposes. These funds may not be expended for any other purpose or project but will be limited to that purpose described in the appropriation measures. Planning and construction may begin immediately. If all the line-item funds are not expended, the Bureau has no authorization to establish new projects in order to expend the remaining funds. Once the specific need or purpose has been met, the Project is closed and remaining funds are disposed of according to the legislative authorization.
3. **Discretionary:** Funds may be given to the Bureau in a lump sum for purposes described in the appropriation bill without reference to any specific project. Repair and renovation projects are then funded at the discretion of the Bureau. It is the Bureau's policy to allocate funds for specific projects and not to distribute funds to Institutions, Agencies or Departments. Consequently, any funds remaining after the Scope and intent of the original Project has been accomplished will be returned to the Discretionary Fund. These funds are then available for redistribution to other Institutions, Agencies and Departments projects.

200.10

EMERGENCY REQUESTS

From time to time, an emergency situation may arise where a Using Agency does not have sufficient funds available to restore the facilities, or equipment, to a state of usefulness. The Bureau may be contacted and requested to fund the emergency repairs, if funds are available. However, the Using Agency is expected to have exhausted every other option available, including the revamping of existing projects, before requesting emergency funds.

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200.11

DEFINITION OF AN EMERGENCY

By definition an *emergency* is caused by: [Mississippi Code 1972, Annotated, Section 31-7-1(i)]

1. fire
2. flood
3. explosion
4. storm
5. earthquake
6. epidemic
7. riot
8. insurrection
9. any inherent defect due to defective construction

An *emergency* is also when:

10. the immediate preservation of order or of public health is necessary by reason of unforeseen emergency.
11. the immediate restoration of a condition of usefulness of any public building or equipment appears advisable.
12. there is a failure of any machine or other thing used and useful in the generation, production or distribution of electricity, water or natural gas, or in the transportation or treatment of sewage.

200.12

AGENCY'S RESPONSE TO EMERGENCY

In the case of an emergency, the Using Agency should make temporary repairs until more permanent measures can be taken. If the Using Agency has no funds available for emergency repairs, the Bureau may be contacted for assistance. The following guidelines have been established and are to be followed: [Mississippi Code 1972, Annotated, Section 31-7-13(j) and (k)]

1. Executive head of the Using Agency determines an emergency exists based on the criteria noted in the law.
2. Executive head of the Using Agency contacts the Bureau and requests assistance.
3. Executive head of the Using Agency forwards a statement, or **Declaration of an Emergency**, under oath certifying the conditions and circumstances of the emergency and a certified copy of the appropriate Minutes of the Board of such Using Agency, if applicable, stating such emergency occurred and approving the actions of the Executive head. [See **Appendix 200.**]

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200.13

BUREAU'S RESPONSE TO EMERGENCY REQUESTS

If after reporting to the Bureau's Director, it is determined funds are available and an emergency exists, the Bureau Staff will make an on-site inspection and determine what action should be taken. There are two (2) options. If the repairs can be made using routine bidding practices, this is preferable. If, however, repairs are needed immediately, the following procedures will be followed:

1. If an emergency exists and delay incident to giving opportunity for competitive bidding would be detrimental to the interest of the Using Agency, competitive bidding will not apply and such emergency purchases and repairs will take place as deemed appropriate by the Bureau.
2. The Director of the Bureau will ask the Bureau Staff to obtain at least two (2) written quotes for the repairs. The low bid will be authorized to commence work.
3. At the next PPRB meeting, the Director of the Bureau will present the emergency award for their confirmation and approval by certifying to the emergency. [See **Appendix 200.**]

200.14

APPROPRIATION BILLS

In past Legislative sessions, at least one (1) omnibus bill has passed which funds Preplanning, Capital Improvements, and Repair and Renovations needs for state Institutions, Agencies and Departments. This funding may have been line item or discretionary. An excellent example of this type of bill may be found in **Mississippi Code 1972, Annotated**, Section 29-17-1 and 29-17-2.

200.15

TYPES OF APPROPRIATION BILLS

The Legislature may, however, appropriate funds to the Bureau through other types of bills. They are as follows:

Appropriation Bills

- * Preplanning
- * Capital Improvement
- * Repair and Renovation
- * Combination Capital Improvement and Renovation
- * Land Acquisition
- * Discretionary
- * Other

1. **Preplanning:** The Legislature may approve a Concurrent Resolution authorizing funds to be used from the Preplanning Revolving Fund for the purpose of Preplanning specific Capital Improvement projects. Or, funds may be appropriated for Preplanning in a Capital Improvement bill.

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2. **Capital Improvement:** This type of appropriation bill normally covers new construction, new furniture and equipment, major additions and major alterations. Usually this bill contains a line item appropriation allocating specific amounts and types of funds and describing their use - such as *construct only*, *construct and equip*, or *equip only* certain facilities at specific locations.
 3. **Repair and Renovation:** Major renovations will be line item appropriations and will be allocated specific amounts and earmarked for specific uses. Smaller repair & renovation projects may be funded from discretionary sources.
 4. **Combination Capital Improvement and Renovation:** This type of appropriation would fund new construction, new furniture and equipment, major additions and alterations and renovations to existing structures. Line item appropriations allocating specific amounts and specifying facilities, location and usage may be in this bill.
 5. **Land Acquisition:** At various times, funds have been appropriated to acquire real property as line item appropriations detailing the purchasing authority.
 6. **Discretionary:** The Bureau may receive appropriations in a lump sum manner for repair & renovations to existing buildings and related facilities. These funds are administered at the discretion of the Bureau based on the following criteria:
 - a. **Hazard:** Eminent danger of collapse; structure requiring abandonment
 - b. **Health:** Actual sewer leaks, gas leaks, contaminated water, chemical fumes causing facility to be abandoned
 - c. **Prevention of Further Loss:** Leaking roof causing damage to structure and contents
 - d. **Law Compliance:** Mandatory Life Safety Code, Building Code, Court Ordered requirements and accreditation standards
 - e. **Repairs to Existing Facility:** Repairs to restore to original condition; repair abandoned structures; painting; carpet replacement; furniture and equipment replacement
 - f. **Renovations to Existing Facility:** Installation of new or improved materials (i.e., carpet where no carpet previously existed and partition changes)
 - g. **Operation and Maintenance Cost Savings:** Insulation, energy management, obsolete HVAC replacement
 - h. **Additions to Existing Facility:** Expansion, road extension, parking, utilities
 - i. **Normal Operation and Maintenance:** THIS IS NOT A BUREAU FUNCTION. Generally, projects under \$10,000 not requiring professional services and those projects within the capabilities of the physical plant or maintenance department are not eligible
 - j. **Capital Improvement:** New buildings, major additions and alterations, parking areas, furniture and equipment (not replacements)
 7. **Other:** The Legislature may, by line item appropriation, provide funds to authorize and accomplish whatever it deems necessary. This could involve the purchase of aircraft, boats, or the construction thereof.

200.16

BOND BILLS

In recent years, the Legislature has favored funding long term capital improvements through the sale of General Obligation [GO] Bonds backed by the full faith and credit of the State of Mississippi. Any expenditure financed by GO bonds should have a life expectancy of twenty (20) years.

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The entire amount of bonds authorized in a Bond Bill may not be sold all at one time. GO Bonds may be sold at various times during the year. Therefore, the sale and depositing of bond funds must be considered in awarding contracts.

Once bonds have been sold and deposited into the State Treasury, funds must be expended within three (3) years in order to avoid arbitrage and damage the State's bond rating.

200.17

RECEIPT OF OUTSIDE FUNDING SOURCES

The Bureau may accept grants and outside funding sources from an Institution, Agency or Department. These sources may come in the form of:

A. GRANTS:

1. The Using Agency may have applied for and received grants (i.e., federal, energy, etc.) which are to be used for various kinds of construction projects. **Special Note:** The Bureau will not respond or allocate funds as matching money for grants unless it has been informed prior to the filing of an application for such grant. The Using Agency must inform the Bureau, prior to the time an application for grant funds is made, that it will request funds from the Bureau as matching money if the application is approved. A written statement of Scope, Budget and Grant information must be included with the request. In addition, if the Bureau is to request the Grant Funds or if the Using Agency is to request the funds, this should be indicated when the Bureau is first notified.

B. OTHER SOURCES:

1. The Using Agency may have received General Funds and/or reimbursement monies (i.e., Medicare, Medicaid) which may be used for construction projects.

Both of these funding sources are considered *outside funding sources* to the Bureau. These funds may be forwarded and received by the Bureau when a *Receivable* has been established in a Project. The Using Agency must submit the **Notification to Transfer Funds** form to the Bureau. [See **Appendix 200.**] Once the monies have been received into a Project, these will be used for the Project's planning and construction. No construction contracts will be executed until all the outside funds have been received by the Bureau to support the awarded Contract. If funds are to be received in increments (reimbursement basis via grant funds), the Using Agency should notify the Bureau in the early stages of planning.

The Using Agency also has the option to expend the funds directly to the Professional and/or Contractor rather than forwarding them to the Bureau. A preapproved arrangement between the Bureau and Using Agency should be made during initial discussion of the Project as to how these funds will be expended and by whom. **Special Note:** The Bureau must reappropriate outside funds each year until they have been expended.

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